

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

January 27, 2016

Members Present: Sen. Allen M. Christensen, Co-Chair
Rep. Paul Ray, Co-Chair
Rep. Edward H. Redd, House Vice Chair
Sen. Deidre M. Henderson
Sen. Luz Escamilla
Sen. Brian E. Shiozawa
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
Sen. Mark B. Madsen
Rep. Melvin R. Brown
Rep. Bradley M. Daw
Rep. Earl D. Tanner
Rep. Sandra Hollins
Rep. Raymond Ward
Sen. Lincoln Fillmore

Members Absent: Rep. Robert Spendlove
Sen. Alvin B. Jackson

Staff Present: Mr. Russell T. Frandsen, Fiscal Analyst
Mr. Stephen C. Jardine, Fiscal Analyst
Mr. Chandler J. Young, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Co-Chair Ray called the meeting to order at 8:17 a.m.

3. Public Input on Topics on Today's Agenda

Rep. Ray mentioned to the public to keep in mind of the committee's assigned tasks regarding USOR.

Ms. Linda Hanson, State Board of Education & Chair for Developmental Disabilities Council
Mr. Stephan Persinger, President of Utah's Association for the Deaf (UAD)
Mr. Philippe Montalette, member of UAD

Ms. Michelle Wyatt, speaking for Leon Curtis who is a chair of UAD, mentioned the great services they provide. Rep. Ray asked for clarification on the services they provide and what they were afraid to lose with the move. Ms. Wyatt stated they are scared their support will be far less, and will

not be able to provide sufficient classes. Rep. Ray reassured Ms. Wyatt and the USOR that the move would be for oversight and the services provided will not be affected.

Rep. Rebecca Chavez-Houck asked Ms. Wyatt what department would be a more efficient alignment. Ms. Wyatt felt Human Services would be more appropriate. Rep. Ray stated that they are looking at Workforce Services because it has the most overlapping services.

Ms. Kris Fawson, Utah Legislative Coalition for People with Disabilities

4. Where Should USOR be Located for Accountability?

Mr. Stephen Jardine gave a brief explanation of the USOR audit. [4a-A Performance Audit of USOR's Budget and Governance](#) and [4b-Issue Brief - 2016 General Session - Utah State Office of Rehabilitation - Fiscal Status and Audit Follow-up](#)

Ms. Leah Blevins and Mr. Jake Dinsdale, Office of the Legislative Auditor General, gave background information and then reviewed the document regarding the USOR report for social services. 4c. OLAG Report re USOR for social services

Sen. Fillmore asked Ms. Blevins and Mr. Dinsdale to explain the financial reports, and who made the errors in projections. Mr. Dinsdale responded that there was a snowball effect of bad estimates and calculations from previous years. It was decided that USOE was simply not paying attention to USOR, and it was mentioned that previously USOR did not have their own financial staff.

Sen. Christensen asked Ms. Blevins to explained which board gave the approval to use the \$500,000. The Board of Education approved the spending and generally only the interest on the account was being used.

Sen. Shiozawa thanked the audit staff and suggested additional ways for oversight in the future. He recommended DHS as an appropriate move.

Rep. Redd asked Ms. Blevins about the prior discussion among the board. Ms. Blevins replied that there was not much formal discussion. Rep. Redd brought up his concern that the public knew about the problem before the board found out. Sen. Christensen mentioned that he wanted to concentrate on getting the \$500,000 restored.

Ms. Jennifer Johnson, Utah State Board of Education, discussed the logistics of the state board and reviewed the documents [4a-A Performance Audit of USOR's Budget and Governance](#). She expressed concern that they do not have a double entry accounting system that may have helped with the reporting problems. She answered Sen. Fillmore's previous question as to who was responsible for the budget error.

Rep. Chavez-Houck mentioned she liked the fact that USOR communicates with local schools to help benefit students. Ms. Johnson said that the collaboration between USOR and the education

system would be in place regardless of any move.

Rep. Ward and Ms. Johnson discussed bringing in a third party to help identify issues. Rep. Ward requested an outline of costs that would be expected when the review is complete. Ms. Johnson said that completion should occur within the next couple weeks. Sen. Escamilla asked to clarifications on what costs will be. Ms. Johnson explained some costs. Sen. Escamilla made a point to make sure the committee sees that budget outline.

Ms. Johnson added that many of the clients they help also have mental illness, substance addiction, and cognitive difficulties.

Rep. Ward asked Mr. Darin Brush to discuss the topic of when to move USOR.

Mr. Darin Brush, Utah State Office of Rehabilitation, said that failures occurred under prior management. There was not a good prediction of what client costs would be and there was little to no financial team previously in place. Mr. Brush talked about having to pay \$1.8 Million to USOE for services. Sen. Christensen discussed management with Mr. Brush. Mr. Brush explained that his goal was to create a legacy of a transparent system. He will be the one to stand up for clients.

Sen. Christensen asked if he ever thought about the shutting the Sanderson center. Mr. Brush and Sen. Christensen agreed that would never happen.

Rep. Tanner asked Mr. Brush to explore what synergy should be considered when a location is chosen. Mr. Brush explained the relationship with education requiring them to spend 15 percent on people age 16 to 21. He also explained the advantages of all organizational locations discussed.

Sen. Christensen identified four options. 1. Leave it alone under USOE 2. Move it to either Workforce Services or Human Services 3. Stand alone agency under Governor's Office 4. Put off this decision to another day. He also said the committee needed to decide when this move would take place.

Sen. Weiler said the decisions should not be made today. He would prefer to meet with more people and organizations.

MOTION: Sen. Weiler moved to leave USOR with USOE.

Rep. Ward and Sen. Fillmore spoke in favor of the motion. Sen. Escamilla, Rep. Daw, and Rep. Brown spoke in opposition of the motion.

A roll call vote was taken. The motion failed with Sen. Weiler, Sen. Fillmore, and Rep. Ward voting in favor of the motion.

Sen. Weiler commented to the audience that this decision is simply a recommendation. Rep. Redd added that he would like to wait to hear from all the interested parties.

MOTION: Sen. Weiler moved to put the decision on USOR's location on Friday's agenda. The motion passed unanimously.

6. USOR's Base Budget

Mr. Stephen Jardine explained [6b-Issue Brief - 2016 General Session - Utah State Office of Rehabilitation - Federal Funds](#) document.

Rep. Tanner, Mr. Jardine, and Mr. Brush discussed the determination of eligibility and funds for the USOR. Ms. Marilyn Call, Division of Services to the Deaf and Hard of Hearing, explained the certification process. Rep. Tanner asked about charging out-of-state citizens more money. Ms. Call explained why we charge out-of-state citizens more and that the actual cost of the test is \$400.

MOTION: Sen. Christensen moved to approve 1C and 2A from the [motions sheet](#). The motion passed unanimously with Sen. Madsen and Sen. Weiler absent for the vote.

7. Department of Health's Base Budget

Mr. Russell Frandsen explained the Federal Funds in the Department of Health handout.

8. Intent Language and Non-Lapsing Balances Follow-up

Mr. Frandsen presented follow-up information on the intent languages and non-lapsing balances. [8-Issue Brief - 2016 General Session - Intent Languages and Nonlapsing Balances Follow-up \(Health\)](#)

9. Issues/Analysis from the 2016 Compendium of Budget Information

Mr. Frandsen explained Compendium of Budget Information.
<http://le.utah.gov/lfa/cobi/currentCobi/cobi.html?cobiID=46&tab=issuesTab>

10. Department of Health Executive Director's Operations Base Budget

Mr. Frandsen explained the following documents in regards to the operations budget for The Department of Health. [10b1-On-Call Pay Questions FY 2015 - Department of Health](#) & [10b2-DOH Response Regarding Incentive Award Information](#)

Ms. Shari Watkins, Finance Director of Department of Health, explained 3A & 1AD from the [motions sheet](#).

MOTION: Sen. Christensen moved to approve 1C, 3A, and 1AD from the [motions sheet](#). The motion passed unanimously with Sen. Fillmore, Sen. Madsen, and Sen. Weiler absent for the vote.

11. Department of Health's Family and Preparedness Base Budget

Mr. Frandsen explained [budget reduction](#) options line item #AC - Cytomegalovirus Public Health Initiative.

Mr. Frandsen explained Issues/Analysis from the 2016 Compendium of Budget Information.
<http://le.utah.gov/lfa/cobi/currentCobi/cobi.html?cobiID=261&tab=issuesTab>.

Mr. Frandsen explained the Performance Measure Trends.
<http://le.utah.gov/lfa/cobi/currentCobi/cobi.html?cobiID=261&tab=performanceTab>

Dr. Marc Babitz, Division Director, explained the need for 3C, 3D, 3I, 3J, 3L, and 3N from the [motions sheet](#). Rep. Redd and Rep. Tanner received explanation regarding the non-lapsing authority. Rep. Ward asked staff to display the current budget for each item in order to see the contrast of the amount being requested. Dr. Babitz explained motion 1I and Mr. Frandsen explained motions 1I, 1N, and 11B from the [motions sheet](#).

Sen. Shiozawa asked Dr. Babitz if there is anything that needs to be addressed offline. Mr. Babitz replied there was not.

Motion: Sen. Christensen moved to approve items 1C, 3C, 3D, 3I, 3J, 3L, 3N, 1N, 1I, and 11B from the [motions sheet](#). The motion passed unanimously with Sen. Madsen and Sen. Weiler absent from vote.

12. Department of Health's Workforce Financial Assistance Base Budget

Mr. Frandsen explained 1J from the [motions sheet](#).

Motion: Sen. Christensen moved to approve 1J from the [motions sheet](#). The motion passed unanimously with Sen. Madsen and Sen. Weiler absent from the vote.

Mr. Frandsen, Dr. Babitz, Rep. Ray, Rep. Redd, Sen. Henderson, Sen. Escamilla, and Rep. Tanner reviewed and discussed items from the [budget reduction sheet](#).

MOTION: Rep. Tanner moved to adjourn. The motion passed unanimously.

Co-Chair Ray adjourned the meeting at 10:57 a.m.